



County of Los Angeles  
**CHIEF ADMINISTRATIVE OFFICE**

713 KENNETH HAHN HALL OF ADMINISTRATION • LOS ANGELES, CALIFORNIA 90012  
(213) 974-1101  
<http://cao.co.la.ca.us>

DAVID E. JANSSEN  
Chief Administrative Officer

May 13, 2003

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, CA 90012

Dear Supervisors:

**APPROVE FUNDING AGREEMENT WITH  
THE MUSEUM ASSOCIATES ON BEHALF OF THE  
LOS ANGELES COUNTY MUSEUM OF ART  
AND RELATED APPROPRIATION ADJUSTMENT  
(THIRD DISTRICT) (3 VOTES)**

**IT IS RECOMMENDED THAT YOUR BOARD:**

1. Approve the attached appropriation adjustment to transfer \$500,000 of Third District Capital Project funds from the Capital Projects/Refurbishments Budget to the Project and Facility Development Fund Budget.
2. Approve and instruct the Chief Administrative Officer to sign the attached Funding Agreement with the Museum Associates, on behalf of the Los Angeles County Museum of Art, to transfer the \$500,000 from the Project and Facility Development Fund to the Associates to support planning activities related to the proposed improvements or replacement of the Museum of Art facilities.
3. Authorize the Chief Administrative Officer to approve a maximum of four annual extensions to the attached Funding Agreement until such funding is expended.

**PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

The recommended actions will provide the Museum Associates with funding to assist in planning activities related to the proposed improvement or replacement of existing museum facilities at the Los Angeles County Museum of Art.

Board of Supervisors  
GLORIA MOLINA  
First District

YVONNE BRATHWAITE BURKE  
Second District

ZEV YAROSLAVSKY  
Third District

DON KNABE  
Fourth District

MICHAEL D. ANTONOVICH  
Fifth District

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The existing Museum of Art facilities were primarily constructed between 1938 and 1988 and do not provide sufficient space to display the majority of the Museum's collection nor can they accommodate modern display and learning techniques. In addition, the facilities do not meet current building codes for seismic and fire safety, energy efficiency or access for persons with disabilities.

The proposed Funding Agreement, and the related appropriation adjustment, will provide funding to support Museum Associates planning activities to improve or replace the existing facilities. The term of the Funding Agreement will be one year from the date of execution with a maximum of four annual extensions to be approved by the Chief Administrative Officer until the funding is fully expended.

### **Implementation of Strategic Plan Goals**

The recommended actions will support the County's Strategic Plan Goal of Fiscal Responsibility by supporting activities related to the investment in public infrastructure.

### **FISCAL IMPACT/FINANCING**

The proposed funding agreement provides for the transfer of \$500,000 to the Museum Associates. The funding for the agreement is provided from Third District Capital Project funds. The attached appropriation adjustment will transfer the Third District funds from the Capital Projects/Refurbishments Budget to the Project and Facility Development Fund Budget to properly account for and encumber the agreement.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

The agreement has been reviewed and approved as to form by County Counsel.

The agreement allows the Museum Associates to expend the funds for planning activities and other pre-construction costs, including but not limited to environmental assessments, feasibility studies, master planning, programming, architecture and design, project management, engineering and other design costs.

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### **ENVIRONMENTAL DOCUMENTATION**

The recommended actions are exempt from the California Environmental Quality Act (CEQA). Any improvements or replacement of facilities that may be proposed as a result of the Museum Associate's planning activities will be required to undergo an environmental assessment pursuant to CEQA.

### **IMPACT ON CURRENT SERVICES (OR PROJECTS)**

The recommended actions will have no impact on any other currently planned projects but will assist the Museum Associates with planning activities to improve and/or replace the Museum.

### **CONCLUSION**

Please return one conformed copy of this action to the Chief Administrative Office (Capital Projects Division) and the Auditor-Controller.

Respectfully submitted,

DAVID E. JANSSEN  
Chief Administrative Officer

DEJ:JSE:DJT  
DKM:mdc

Attachments (2)

c: County Counsel  
Auditor-Controller  
Museum Associates

## APPROPRIATION ADJUSTMENT

FISCAL YEAR 2002-03

3 – Votes

### FINANCIAL SOURCES

Capital Projects/Reburbishments

Various Capital Projects

Various Third District Projects

A01 – CP – 77045 – 6015

\$500,000 (Decrease Appropriation)

### FINANCIAL USES

Project and Facility Development

Fund

Other Charges

A01 – CP – 10190 – 5500

\$500,000 (Increase Appropriation)

COUNTY OF LOS ANGELES  
REQUEST FOR APPROPRIATION ADJUSTMENT

DEPT'S No. 060

DEPARTMENT OF Chief Administrative Office

April 15, 2003

## AUDITOR-CONTROLLER.

THE FOLLOWING APPROPRIATION ADJUSTMENT IS DEEMED NECESSARY BY THIS DEPARTMENT. WILL YOU PLEASE REPORT AS TO ACCOUNTING AND AVAILABLE BALANCES AND FORWARD TO THE CHIEF ADMINISTRATIVE OFFICER FOR HIS RECOMMENDATION OR ACTION.

## ADJUSTMENT REQUESTED AND REASONS THEREFOR

3 Votes  
Fiscal Year 2002-03

## FINANCIAL SOURCES:

Capital Projects/Refurbishments  
Various Capital Projects  
Various Third District Projects  
A01-CP-77045-6015  
\$500,000 (Decrease Appropriation)

## FINANCIAL USES:

Project and Facility Development  
Other Charges  
PF ~~CP~~  
A01-CP-10190-5500  
\$500,000 (Increase Appropriation)

## Justification:

This appropriation adjustment is necessary to provide funding through a grant agreement to the Los Angeles County Museum of Art for planning activities related to the expansion, renovation, and replacement of the Museum's facilities.

  
Jan Takata, Asst. Division Chf.

CHIEF ADMINISTRATIVE OFFICER'S REPORT

REFERRED TO THE CHIEF  
ADMINISTRATIVE OFFICER FOR—

ACTION

RECOMMENDATION

APPROVED AS REQUESTED

AS REVISED

April 16 2003

John J. Edmister  
CHIEF ADMINISTRATIVE OFFICERAPPROVED (AS REVISED):  
BOARD OF SUPERVISORS

19

AUDITOR-CONTROLLER BY

No. 207

APRIL 16 2003

BY

DEPUTY COUNTY CLERK

SEND 6 COPIES TO THE AUDITOR-CONTROLLER

**FUNDING AGREEMENT FOR IMPROVEMENTS  
TO THE LOS ANGELES COUNTY MUSEUM OF ART  
BY THE MUSEUM ASSOCIATES**

THIS AGREEMENT is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2003.

BY                   COUNTY OF LOS ANGELES,  
a body corporate and politic,  
hereinafter referred to as  
"County",

AND                MUSEUM ASSOCIATES , a California  
non-profit public benefit corporation  
hereinafter referred to as "Museum  
Associates".

WITNESSETH:

WHEREAS, the County and Museum Associates each own certain real property that are together known as the Los Angeles County Museum of Art (the "Museum");

WHEREAS, the Museum Associates assists the County to operate the Museum pursuant to an agreement between the County and the Museum Associates dated February 8, 1994;

WHEREAS, the Museum Associates and the County intend to enhance the operations and programming of the Museum through improvements to, and/or replacement of existing Museum facilities;

WHEREAS, the County intends to provide a grant to the Museum Associates in the amount of \$500,000 to assist in planning activities associated with improvements to and/or replacement of the Museum's existing facilities;

NOW, THEREFORE, in consideration of the mutual promises, covenants and conditions set forth herein the parties hereto agree as follows:

**A.     Approved Funding and Costs**

1.     The County hereby grants to the Museum Associates the amount of \$500,000 to support the Museum Associate's planning activities for the improvement or replacement of existing Museum facilities.



2. County Funds may be used by the Museum Associates for payment of planning and other pre-construction soft costs, including but not limited to costs of appropriate environmental assessments of the implementation of any improvements, feasibility studies, master planning, programming, architecture and design, project management, engineering, or other design costs.

**B. The Improvements**

1. The mutual goal of the Museum Associates and the County is to enhance the operations and programming of the Museum of Art through improved facilities. The Museum Associates and the County shall endeavor to achieve a mutually approved plan of Improvements to meet this goal.
2. Nothing in this Agreement shall be construed as an approval by the County of the implementation of the Improvements regardless of the source of funding for such Improvements. Any improvements funded pursuant to this Agreement will be subject to the provisions and requirements of the California Environmental Quality Act. Any physical changes to County facilities that are funded pursuant to this Agreement are subject to approval by the County.

**C. Agreement Term**

1. This Agreement will remain in force for 1 year following its execution date, with annual extensions upon the request of Museum Associates and approval by the County Chief Administrative Office. In no event will the term of this Agreement, including any extensions, exceed five years from its execution date.

**D. Financial Records**

1. The Museum Associates agrees to maintain satisfactory financial accounts, documents and records of the expenditure of County Funds and to make them available to the County for auditing at reasonable times. The Museum Associates also agrees to retain such financial accounts, documents and records for five (5) years following termination of this Agreement.
2. The Museum Associates agrees to use a generally accepted accounting system. The Museum Associates also agrees to maintain, and make available for County inspection, accurate records of all of its costs,

disbursements and receipts with respect to its activities under this Agreement.

3. At any time during the term of this Agreement or at any time within five (5) years of the expiration or prior termination of this Agreement, authorized representatives of the County may conduct an audit of Museum Associates records for the purpose of verifying appropriateness and validity of expenditures of County Funds under the terms of this Agreement. If said audit reveals expenditures that cannot be verified or that were paid in violation of the terms of this Agreement, the County may request that the Museum Associates substitute other funds available to the Museum Associates, or if all County Funds have not yet been paid to the Museum Associates, the County may, in its discretion, reduce its County Funds obligation by an amount equal to such expenditures.

The Museum Associates, within thirty (30) days of notification from the County of its audit findings, may dispute the audit findings in writing to the County and provide the County with records and/or documentation to support the expenditure claims. The County shall review this documentation and make a final determination as to the validity of the expenditures.

The Museum Associates will provide the County Chief Administrative Office with a report itemizing actual expenditures funded by monies received pursuant to this Agreement prior to a request for an extension to this Agreement or within 120 days following the termination of this Agreement.

#### **E. Hold Harmless and Indemnification**

1. The Museum Associates shall indemnify, defend and hold the County, its officers, and employees harmless from and against any and all liability to any third party for or from loss, damage or injury to persons or property in any manner arising out of, or incident to, the performance of this Agreement.
2. The County shall have no liability for any debts, liabilities, deficits, or cost overruns of the Museum Associates.
3. The Museum Associates and the County agree that the liability of the County hereunder shall be limited to the payment of the County Funds pursuant to the terms and conditions of this Agreement. Any contracts entered into, or other obligations or liabilities incurred by the Museum Associates in connection with the Improvements or otherwise relating to this



Agreement shall be the sole responsibility of the Museum Associates and the County shall have no obligation or liability whatsoever thereunder or with respect thereto, unless the County is a party to any such agreement. This Agreement does not otherwise alter or amend any other agreements or obligations between the County and Museum Associates.

**F. Notices and Approvals**

1. All notices and approvals shall be directed to and made by the following representatives of the parties:

a. To the County: Chief Administrative Office  
Attn: John S. Edmisten  
Division Chief  
Hahn Hall of Administration, Room 754  
500 West Temple St.  
Los Angeles, CA 90012

b. To Museum Associates: Museum Associates  
Attn: Walter L. Weisman  
Chairman  
5905 Wilshire Boulevard  
Los Angeles, CA 90036

**G. Nondiscrimination**

1. The Museum Associates shall not discriminate against any person on the basis of race, color, sex, sexual orientation, age, religious belief, national origin, marital status, physical or mental handicap, medical condition, or place of residence in the use of the County Funds paid to the Museum Associates pursuant to this Agreement.

**H. Severability**

1. If any provision of this Agreement, or the application thereof, is held to be invalid, that invalidity shall not affect other provisions or applications of the Agreement that can be given effect without the invalid provision or application, and to this end the provisions of the Agreement are severable.

I. **Effective Date**

The effective date of this Agreement shall be the date of approval by the County's Chief Administrative Officer.

IN WITNESS WHEREOF, the Museum Associates has executed this Funding Agreement for Improvements to the Los Angeles County Museum of Art, or caused it to be duly executed by its authorized representative, and the County of Los Angeles by order of its Board of Supervisors, has delegated to its Chief Administrative Officer the authority to execute this Agreement on its behalf on the date and year written below.

MUSEUM ASSOCIATES  
Los Angeles County Museum of Art

By Walter L. Weisman

Walter L. Weisman  
Chairman

COUNTY  
County of Los Angeles

By \_\_\_\_\_

David E. Janssen  
Chief Administrative Officer

APPROVED AS TO FORM:  
LLOYD W. PELLMAN  
County Counsel

By Lloyd W. Pellman  
Principal Deputy